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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

6809

September 4, 2015

David McMullin
C.S. Mining LLC.
P.O. Box 608
Milford, Utah 84751

Subject: Conditional Approval of the Copper Ranch Intermediate Pit Amendment to the Notice of Intention to Commence Large Mining Operations, C.S. Mining Inc., Hidden Treasure Mine, M/001/0067, Beaver County, Utah

Dear Mr. McMullin:

The Division of Oil, Gas and Mining conditionally approves mining activities associated with the Copper Ranch Intermediate Pit amendment to the Hidden Treasure Notice of Intention to Commence Large Mining Operations (Notice). The total large mine area approved for disturbance is now 561 acres.

The conditions of this approval are:

- 1) Only removal and dumping of alluvial material are approved. Prior to additional mining activities, the stand-alone Notice amendment pages will need to be amended to be consistent with the standard reclamation practices of R647-4, or the Division will need to approve a variance consistent with the current Notice.
- 2) Construction and reclamation of the Copper Ranch waste rock dump (beginning with the alluvial material) must comply with the standard reclamation practices of R647-4, since a rule variance allowing terraced dumps as a final configuration has not been approved.
- 3) Approval of the Niagara pit is withdrawn at the operator's request to enable allocation of existing surety to the Copper Ranch intermediate pit amendment.
- 4) The contents of the approved, stand-alone Notice pages will need to be incorporated into the modified, project-wide Notice document, which the Division will be reviewing.

Because this amendment also requests the withdrawal of approval for mining activities associated with the Niagara Hill pit, the existing reclamation surety amount of \$5,311,000 is adequate to cover the initial stripping and dumping disturbance associated with the Copper Ranch Intermediate Pit amendment.



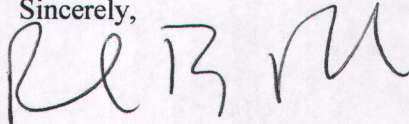
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The Division has not completed its review of your recent request for a variance to allow terracing as a final dump configuration because we understand that the Copper Ranch intermediate pit permitting action is a higher immediate priority. Without an approved variance, the Division can only approve amendments and reclamation sureties that are consistent with standard reclamation practices of R647-4.

Thank you for correcting the rider to the surety bond.

Please contact Peter Brinton, at 801-538-5258 or me at 801-538-5261 if you have questions about the approval or conditions. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB: pnb: Eb
cc: Ed Ginouves, BLM-Cedar City (UTU-82071); eginouve@blm.gov
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